

2001 Individual Estimated Tax Payment Instructions

Phone Numbers

If you have questions, please call one of the following help numbers:

Phoenix	(602) 255-3381
Nationwide, toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
Other Arizona areas, toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
Other Arizona areas, toll-free	(800) 397-0256

You may also visit our web site at:
www.revenue.state.az.us

General Information

- Complete Form 140ES using black ink or blue ink.
- Once you make an estimated payment, you must file a tax return for that year in order to claim the estimated payment.
- You must round each estimated payment to whole dollars (no cents).
- Use Tax Table X or Y (in the 2000 tax instruction booklet) to help estimate this year's tax liability. Figure this tax on your total annual income.

The department will charge you a penalty if you fail to make any required estimated payment. Use Form 221, *Underpayment of Estimated Tax by Individuals*, to determine the amount of underpayment penalty. For the 2001 taxable year, the penalty is equal to the interest that would accrue on the underpayment. The penalty cannot be more than 10 percent of the underpayment.

Required Payments

Arizona requires certain individuals to make estimated income tax payments.

You must make Arizona estimated income tax payments during 2001 if either of the following apply.

1. You reasonably expect your Arizona gross income to exceed \$75,000 in 2001.
2. Your Arizona gross income in 2000 was greater than \$75,000.

In projecting current Arizona gross income, you must use ordinary business care and prudence.

What is Arizona Gross Income for the Purpose of Estimated Income Tax Payments?

The Arizona gross income of a single individual will be the same as his or her federal adjusted gross income reported on the federal return. The Arizona gross income of a married individual who files separate returns for both federal and Arizona purposes will be the federal adjusted gross income reported on the federal return.

For estimated payment purposes, the Arizona gross income of married individuals who file a joint federal return is not the federal adjusted gross income on that joint return. In order for each spouse to determine whether he or she must make Arizona estimated payments, the spouses must determine what portion of the total income is attributable to each spouse. Each spouse must compute his or her income as if filing a separate Arizona income tax return. This calculation determines whether either spouse must make Arizona estimated income tax payments.

Each spouse must consider Arizona's community property laws when separately calculating his or her income. Any income that is designated as community income is taxable one-half to each spouse. Each spouse may claim one-half of the deductions and credits related to items of community property. In addition, each spouse may claim one-half of the total income tax withheld on community income. For estimated payment purposes, each spouse's Arizona gross income must reflect one-half of the community income from all sources taxable to Arizona plus any separate income taxable to Arizona.

For more information, see Arizona Department of Revenue Income Tax Ruling ITR 92-1. To get a copy of this ruling, call one of the help numbers listed on this page of the instructions.

How Much Should My Estimated Payments Total?

If you have to make Arizona estimated payments, your payments must reasonably reflect your 2001 Arizona income tax liability. Your combined Arizona estimated income tax payments and Arizona withholding must total one of the following.

1. 90 percent of the tax due for 2001.
2. 100 percent of the tax due for 2000.

You can use your 2000 tax to figure the amount of payments that you must make during 2001 only if you were required to file and did file a 2000 Arizona income tax return.

When Should I Make My Estimated Payments?

For the most part, you must make your payments in four equal installments. The due dates for these installments for a calendar year taxpayer are as follows.

Installment	Due Date
First	April 16, 2001
Second	June 15, 2001
Third	September 17, 2001
Fourth	January 15, 2002

The dates above apply to a 2001 calendar year individual. For fiscal years, the payments are due on or before the 15th day of the fourth, sixth and ninth months of the current fiscal year, and the first month of the next fiscal year.

If 1 through 3 below apply, you do not have to make your payments in four equal installments.

1. File and pay by January 31, 2002. If you file your Arizona return by January 31, 2002, and pay in full the amount stated on the return as payable, you do not have to make the **fourth** estimated tax payment. Fiscal year filers must file and pay by the last day of the month following the close of the fiscal year.

2. Farmer or fisherman. If you report as a farmer or fisherman for federal purposes, you only have to make one installment for a taxable year. The due date for this installment for a calendar year filer is January 15, 2002. The due date for a fiscal year filer is the 15th day of the first month after the end of a fiscal year. There is no requirement to make this payment if you file your Arizona return on or before March 1, 2002, and pay in full the amount stated on the return as payable. Fiscal year filers must file and pay on or before the first day of the third month after the end of the fiscal year.

3. Nonresident alien. If you are an individual who elects to be treated as a nonresident alien on the federal income tax return, you may make three estimated payments. The due dates for these installments are June 15, 2001, September 17, 2001, and January 15, 2002. The first installment must equal 50% of your total required payments.

Voluntary Payments

An individual who does not have to make Arizona estimated income tax payments may choose to make them. Taxpayers who make such an election may choose one of the following methods to make their payments.

Method 1: If you file federal estimated tax, you can file an Arizona Estimated Tax Payment Form 140ES at the same time. The amount remitted with Arizona Form 140ES should be either 10 percent, 15 percent, or 20 percent of the amount paid on the federal **Form 1040ES Declaration Voucher**.

Method 2: You may file installments using Arizona Estimated Tax Payment Form 140ES. If you are a calendar year taxpayer, pay four installments by the following dates.

Installment	Due Date
First	April 16, 2001
Second	June 15, 2001
Third	September 17, 2001
Fourth	January 15, 2002

If you are a fiscal year filer, use the due dates established for federal filing.

The sum of the amounts remitted should equal your estimated end-of-tax-year liability.

Method 3: You may file an Arizona Estimated Tax Payment Form 140ES with a single, lump-sum payment before January 15, 2002. The payment should reflect your estimated end-of-tax-year liability.

Record of Estimated Payments		
Payment Number	Date Payment Made	Amount of Payment
Amount of 2000 overpayment applied to 2001 estimated tax		
1		
2		
3		
4		
Total:		